



REMARKS BY DEPUTY ASSISTANT SECRETARY OF STATE DAN ROSENBLUM ON “THE UNITED STATES AND THE INDO-PACIFIC REGION”

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Thank you Major General Rahman for that introduction and thank you to the Bangladesh Institute of International and Strategic Studies for hosting this event today. I'm grateful for the opportunity to talk about the U.S. vision for a peaceful and prosperous Indo-Pacific region, and to do so here in Dhaka is a great honor. Our two countries share so many interests and values in common -- and I'm confident we also share a very similar perspective on the broader region.

To be honest, I have only recently come to that realization because I have only recently begun to learn about Bangladesh. This is my first visit to your country. Last fall, I took on responsibility for Regional Affairs in the State Department's Bureau for South and Central Asian Affairs, and I am here this week to learn as much as I can about your country and about our bilateral relationship, as well as Bangladesh's regional interests. On my way here, I read a speech delivered by our Undersecretary for Political Affairs, Thomas Shannon, at this very same Institute almost exactly two years. And I must say that what I have seen and heard in my brief time in Dhaka has affirmed his words: “our two nations are working together toward a common vision, to support a Bangladesh that is inclusive, prosperous, and secure.”

Today, I will focus my remarks on the Indo-Pacific region. As you probably have noticed, there have been references to this region in speeches given by our most senior officials, including President Trump and Secretary Tillerson, as well as in the National Security Strategy unveiled in December. But I think you will agree there is a lot of curiosity to hear more about the strategy behind the Indo-Pacific vision, and what actions the U.S. plans to take to implement this strategy.

Let me begin by saying that, as an Indo-Pacific nation ourselves, this region's success is not an abstract concept to us but one that we care about very deeply. And it's something I know



that Bangladesh, strategically located at the crossroads between South and Southeast Asia, cares a great deal about as well.

By the way, when we speak about the Indo-Pacific region, we are defining it as stretching from the U.S. West Coast through the Bay of Bengal. This region represents more than half the global population and more than half of the global economy. The United States is one of the leading trading partners for the region and is also a major donor and investor, both through our private sector companies and through our role as the largest or co-largest individual shareholder in both the World Bank and the Asian Development Bank. From a security standpoint, the Indo-Pacific is the region in which the United States has our longest maritime border, several long-standing treaty allies, as well as being home to our Pacific fleet, one of the most advanced naval units in the world that has conducted countless joint exercises with likeminded countries and trainings for nearly every military in the region. In short, we are committed to this region because we are a part of it and because we have a major stake in its success.

Rapid economic growth in this region during the last few decades has lifted millions out of poverty and allowed for the development of a thriving middle class. Bangladesh is a remarkable success story in this regard, reaching lower middle-income status after consistently achieving growth rates of more than 6 percent for the past 10 years. It's also a region of significant importance in countering violent extremism and ensuring freedom of navigation and adherence to global norms from the Indian Ocean to the South China Sea. In this regard, we greatly appreciate our security partnership with Bangladesh and highly value its role in maintaining international peace and security as one of the world's largest contributors of international peacekeeping forces.

Despite this rapid growth, South Asia lags behind Southeast Asia in measures of intraregional trade and connectivity. For centuries South Asia was a region bound together by the exchange of goods, people, and ideas. But today it is one of the least economically integrated regions in the world. Intraregional trade has languished, sitting at around four or five percent of total trade. Compare that with ASEAN, where interregional trade stands at 25 percent of total trade. The World Bank estimates that with barriers removed and streamlined custom procedures, interregional trade in South Asia would nearly quadruple from the current \$28 billion to over \$100 billion. Bangladesh would stand to benefit better than most from greater regional



connectivity, both in terms of soft and hard infrastructure. Currently less than three percent of Bangladesh's exports go to India and other countries in South Asia.

So what do we intend to do? First, we recognize that a fundamental prerequisite for economic growth is a regional commitment to rule of law and basic international norms. Meaningful, legally binding codes of conduct developed in accordance with international law are essential to allow countries to ensure their own security, to help keep sea lanes open for the movement of increasingly high volumes of trade, and to respond quickly to natural disasters. A secure and stable regional environment sets the table for the type of sustainable economic growth that lifts people out of poverty and into the middle class. The 2016 ruling in the Permanent Court of Arbitration Tribunal on the South China Sea remains binding on the parties; we encourage the parties to lawfully resolve differences regarding maritime disputes. Bangladesh is a model in this respect: the March 2012 decision of the International Tribunal for the Law of the Sea resolving the long-standing Bangladesh-Myanmar maritime border dispute and your 2014 amicable settlement of a maritime dispute with India shows how this can be done peacefully and in accordance with international law.

So the U.S. will reinforce our commitment to freedom of the seas and the peaceful resolution of territorial and maritime disputes in accordance with international law. And we will seek others to join us in this effort.

We intend to redouble our commitment to established alliances and partnerships, while expanding and deepening relationships with new partners that share respect for sovereignty, fair and reciprocal trade, and the rule of law. We will also strengthen our long-standing military relationships and encourage the development of a strong defense network with our allies and partners.

Expanding economic connectivity is another primary goal of the Indo-Pacific strategy. A critical piece of the connectivity puzzle is infrastructure. Without the right bridges, roads, air and sea ports, it is almost impossible for any country, let alone an entire region, to achieve their full economic potential. In order for infrastructure to be truly transformative, it must meet internationally accepted standards and norms and be sustainably financed. The host country must be able to exercise oversight over construction, and ultimately must maintain its



sovereignty over these key pieces of public infrastructure. And maintaining sovereignty is key to avoid what Secretary Tillerson has described as “predatory economics.”

One of the challenges Bangladesh and other Indo-Pacific countries face is the sheer expense of these essential infrastructure improvements and the understandable temptation to trade a lower price point now for more immediate but less sustainable results. When the U.S. private sector and other high standard developers approach a project they look at not only the up-front costs, but also the costs associated with the project over the entire lifetime of the entity. Borrowing - or even simply accepting - money with the lifecycle cost in mind also ensures that there are no surprise expenses or that a potentially transformative project not become a drain on public finances. Infrastructure can become extremely expensive when the host country must commit substantial resources to maintaining and repairing substandard work.

To help countries better shape their procurement requests and effectively evaluate projects for sustainability, the United States funds a variety of programming through the Commercial Law Development Program (CLDP) and other grant-funded programs. A team from CLDP came to Bangladesh in November to work with government officials on medium and long-term planning for policies related to importing liquefied natural gas (LNG) and to help support Bangladesh officials as they develop policies that will transform their energy infrastructure. USAID through its Trade Facilitate project recently supported the creation of a new customs web portal for the National Board of Revenue and Customs. The streamlined website is a major step towards breaking down trade barriers and helping meet one of Bangladesh’s World Trade Organization commitments. In addition, the U.S. Trade Development Authority and the State Department directly fund feasibility studies designed to evaluate the economic potential of infrastructure projects and how to build them to the highest quality possible. The work of our officers in embassies overseas also underscores the importance of an enabling environment for business and investment. Corruption, lack of transparency in procurement processes, and inconsistent or discriminatory legislation prevent countries from receiving the full measure of U.S. and other support.

To promote transparency among partner countries, the Millennium Challenge Corporation, an independent U.S. government agency, supports the development of countries that adhere to certain standards of democratic rights and that effectively combat corruption. It is



a testament to South Asia's progress in these areas that MCC is expanding in the region to reduce poverty through economic growth, by financing significant infrastructure projects.

We are exploring deeper partnerships on both security and infrastructure in the Indo-Pacific region with other likeminded countries including Japan, India, Australia. And we welcome other countries that wants to advance prosperity and security, and strengthen the rule of law in the region to join with us. The more we all coordinate on issues like maritime domain awareness, humanitarian assistance, disaster relief, cyber security and economic development, the more the nations in the Indo-Pacific benefit. Concerted effort by many partners will be needed if we are to connect this vast regions together in the interests of common prosperity and opportunity.

As the great Bengali poet Rabindranath Tagore said, "You can't cross the sea merely by standing and staring at the water."

The strength of the Indo-Pacific region has always been the varied and complex interactions among diverse peoples, governments, economies, and cultures. The United States is committed to working with any nation in South Asia or the broader region that shares our vision of a stable and prosperous Indo-Pacific where sovereignty is upheld and a rules-based system respected. We look forward to working with Bangladesh and other like-minded nations to realize our shared goals of building a more prosperous, secure, and interconnected Indo-Pacific.

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**As delivered*